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1	UNITED STATES DISTRICT COURT	
2	SOUTHERN DISTRICT OF NEW YORK	
	KALI KANONGATAA,	
	Plaintiff,	New York, N.Y.
	v.	16 Civ. 07382(LAK)
	AMERICAN BROADCASTING	
	COMPANIES, INC. and YAHOO!INC.,	
	Defendants.	
	x KALI KANONGATAA,	
	Plaintiff,	New York, N.Y.
	v.	16 Civ. 07383(LAK)
	NBCUNIVERSAL MEDIA, LLC,	
	Defendant.	
	x KALI KANONGATAA,	
	Plaintiff,	New York, N.Y.
	v.	16 Civ. 07472(LAK)
	COED MEDIA GROUP, LLC,	
	Defendant.	
	X	
		February 15, 2017 10:05 a.m.
	Defere	10.00 a.m.
	Before:	
	HON. LEWIS A.	KAPLAN,
		District Judge

1	APPEARANCES	
2		
3	LIEBOWITZ LAW FIRM PLLC Attorneys for Plaintiff	
4	BY: YEKATERINA TSYVKIN RICHARD LIEBOWITZ	
5	LEVINE SULLIVAN KOCH & SCHULZ, LLP	
6	Attorneys for Defendants ABC and Yahoo! Inc. BY: NATHAN ELLIS SIEGEL	
7	NBC UNIVERSAL TALENT NEGOTIATIONS AND LABOR RELATIONS Attorneys for Defendant NBCUniversal Media, LLC BY: ERIK BIERBAUER SAMANTHA WILLIAMS	
8		
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10	COWAN, DEBAETS, ABRAHAMS & SHEPPARD LLP Attorneys for Defendant COED Media Group, LLC BY: SCOTT JONATHAN SHOLDER	
11	DI. BOOTI COMMINEN SHOEDEN	
12	000	
13	THE COURT: Good morning, all.	
14	THE CLERK: Kanongataa against ABC, et al.	
15	Counsel for Kanongataa, are you ready?	
16	MS. TSYVKIN: Yes.	
17	THE CLERK: And you are?	
18	MR. BIERBAUER: Yekaterina Tsyvkin.	
19	Good morning, your Honor.	
20	THE COURT: Good morning.	
21	THE CLERK: And counsel for ABC and Yahoo!	
22	THE COURT: Well, we have another entrant.	
23	MR. LIEBOWITZ: Richard Liebowitz, Liebowitz Law Firm	
24	counsel for plaintiff, Kali Kanongataa.	
25	Good morning, your Honor.	

1	THE COURT: Good morning.	
2	THE CLERK: Counsel for ABC and Yahoo!, are you ready?	
3	MR. SIEGEL: Yes. David Siegel.	
4	Good morning, your Honor.	
5	THE COURT: Good morning.	
6	THE CLERK: Counsel for NBCUniversal Media, are you	
7	ready?	
8	MR. BIERBAUER: Yes. Erik Bierbauer, from	
9	NBCUniversal Law Department, here with my colleague Samantha	
10	Williams, our law clerk.	
11	THE COURT: Good morning.	
12	THE CLERK: Counsel for COED Media Group, are you	
13	ready?	
14	MR. SHOLDER: Yes. Good morning. Scott Sholder, from	
15	Cowan, DeBaets, Abrahams & Sheppard, on behalf of COED Media	
16	Group.	
17	THE COURT: Good morning.	
18	MR. SHOLDER: Good morning.	
19	THE COURT: I apologize in advance for my voice and	
20	for the delay. The delay was caused by the electronic gremlins	
21	that have affected every piece of my equipment this whole week.	
22	Nothing has worked on turnon, but eventually Andy gets it	
23	going. And I seem to have the cold that most other people that	
24	I know have.	
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23	So, in any case, I am happy to hear from you. So, who	

is going to lead off for the defense?

MR. BIERBAUER: That will be me, your Honor.

THE COURT: OK. If you would go to the podium, please, the audio will be a little bit better.

MR. BIERBAUER: So, Erik Bierbauer for NBCUniversal.

The way we decided among ourselves to divide this is that I will address the fair use argument, and then Mr. Sholder will address the DMCA point which is unique to COED Media and, any questions that the Court may have that relate to any particular defendant of course can be handled by the relevant defense counsel.

THE COURT: OK.

MR. BIERBAUER: So this case presents a straightforward application of the fair use doctrine, whether, intentionally or unintentionally, the plaintiff created a newsworthy event. It was apparently the first time that anyone used Facebook to publicly live stream the birth of a child.

Now, the plaintiff seeks to use a copyright lawsuit to get paid by the news organizations that covered that news and commented on it.

THE COURT: Let me interrupt with a question.

I infer -- tell me if I am wrong or right -- that your position would be the same even if the plaintiff had live streamed this only to the smaller group than he in fact live streamed it had it come to the attention of your client, right?

MR. BIERBAUER: Well, I don't know that it would have been newsworthy, and I don't know that it would have been picked up as news in that circumstance.

THE COURT: Well, the second question is pretty speculative. If it had stayed within that group and you hadn't learned about it, obviously it wouldn't have been picked up.

If it had --

MR. BIERBAUER: It would not have been picked up if it had not been public and therefore available to be picked up and the video used.

THE COURT: What does "public" mean in this context?

MR. BIERBAUER: Well, certainly it is public when it is made available to the one-billion-plus members of Facebook who had access to the video.

THE COURT: That's not an issue. I mean, that is pretty clear.

He claims, without benefit of any affidavit or other evidence or even allegations in the pleadings, that he thought he was live streaming to something short of a billion people. I take it we don't know how many, is that right?

MR. BIERBAUER: There is no allegation in the complaint as to how many. I would say, with respect, that it is irrelevant as to whether he intentionally or unintentionally made it publicly available --

THE COURT: OK.

MR. BIERBAUER: -- to the general public.

THE COURT: That was really the thrust of my question. Your position would be the same, if I understand you, if he had live streamed only to a smaller group, the group he says, whatever it is, he intended to live stream to, and, of course, the assumption of asking the question is and that somehow or another it came to the attention of the media and you did exactly the same thing you did given that it was live streamed to a billion people; is that your position?

MR. BIERBAUER: It's a difficult hypothetical, your Honor, because if in fact --

THE COURT: That is what you get paid for.

MR. BIERBAUER: -- he had streamed it to a very limited group of people, then that event would not be newsworthy. It would not be what was covered by the defendants.

What the defendants were covering was the fact that someone, whether he meant to or he didn't mean to, live streamed to the entire world, essentially, something which was traditionally a more intimate, personal event.

THE COURT: Let me inquire, first of Mr. Siegel and then of Mr. Sholder, whether your clients agree with that position?

MR. SIEGEL: I think, your Honor, my -- from a copyright perspective, I think the answer to your question is

yes, it probably wouldn't be different. I think part of -- it would be a news judgment, right, for ABC as to whether or not that smaller audience was newsworthy, and there might be other considerations that would inform that news judgment -- privacy, maybe even legal considerations, right? But I think from a -- in other words, it would inform the judgment of a reporter as to whether or not, even assuming that they got ahold of that video that had been streamed to a smaller audience, whether they deemed that something that they thought they wanted to comment on --

THE COURT: Yeah. But the assumption of my question is that somehow they learned and got access to the video streamed to a much narrower audience and made the judgment, the news judgment, to go with it and then did substantially the same thing they did with the piece that we're concerned about here.

MR. SIEGEL: Yes. From the perspective of copyright law and fair use, my answer would be yes, assuming, of course, there weren't any extraneous facts like somebody had purloined the video or somehow obtained it in some, you know, nefarious way. But assuming that the video --

THE COURT: Like maybe being leaked from the NSA.

MR. SIEGEL: Well, I think from where I stand --

THE COURT: To take an absurd hypothetical.

MR. SIEGEL: From where I stand, I wouldn't consider

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that nefarious from the perspective of the press. 1 2 THE COURT: That was my point. MR. SIEGEL: Yes. But, yes, from a pure copyright 3 point of view, if for some reason, you know, someone made the 4 5 judgment that that was news and they wanted to comment on it, I don't think any of the other fair use -- any of the fair use 6 7 factors and used in the transformative way, etc., would be any different. 8 9 THE COURT: Thank you. 10 Mr. Sholder. MR. SHOLDER: I'm in agreement with what my 11 codefendants have said. I will just add that --12 13 THE COURT: Well, what they have said is somewhat at 14 odds. So, which codefendant are you agreeing with? MR. SHOLDER: I think I'm aligned with Mr. Siegel in 15 the sense that it's not all that relevant as to whether the 16 17 audience was tremendous or slightly more limited. I think, to 18 his point, it is more newsworthy that it was larger.

THE COURT: How about dramatically more limited?

MR. SHOLDER: Well, then that goes to the issue of how was that information obtained. But I think the question is of intent. When you are talking about publication, I think some part of the --

THE COURT: What question is one of intent, exactly, and whose intent?

MR. SHOLDER: As a part of the fair use analysis, at least on the -- in the opposition, the plaintiff's opposition, there is an argument that if the publication was unintentional, it should be deemed unpublished and, therefore, less likely to be fair use. I don't think there is case law support for that, and I don't think the intention matters.

So if it was intentionally live streamed to a larger audience or a smaller audience, if it was newsworthy and in the news judgment of the defendants they decided to report on that, and in my client's case to use a screenshot and a link back to the actual video so that people could look at it at the source, I don't think the analysis -- I don't think the outcome changes.

THE COURT: OK. Thank you.

MR. BIERBAUER: If I may, your Honor? I think your hypothetical is similar to the facts in the <u>Swatch v. Bloomberg</u> case that the Second Circuit decided in 2014, because there Swatch intended to publish the contents of this analyst call to the people who were on the call. I believe that was something on the order of 2 or 300 participants. Bloomberg acquired it and then published that to its much larger audience, and the Second Circuit affirmed the district court's ruling on summary judgment, with no discovery, that in fact that was a fair use and the case was properly dismissed.

So I think as a matter of copyright, yes, Mr. Siegel

is absolutely correct. Setting aside whether it would be newsworthy under any circumstances for someone to be live streaming the birth of a child to a much smaller group, as a matter of copyright it would in fact remain fair use if it were a smaller audience and it was then picked up and judged to be newsworthy.

THE COURT: OK. Thank you. Go ahead.

MR. BIERBAUER: So I think there are two points that I would like to highlight here. The first is that it is appropriate for the Court to address the fair use defense at the motion to dismiss stage in the circumstances of this case and that there is no reason to let the case proceed further. There is no discovery that would be discovered that could change the fair use analysis. And, second -- and this is related, of course -- is that it's plain at this stage that the defendants' use of plaintiff's video were fair. All four of the fair use factors tilt decisively in this case in the defendants' favor, and that this is essentially as clear a case of fair use as I think we are ever likely to see.

In terms of the stage of the proceedings, plaintiff concedes in his opposition that in the Second Circuit in certain circumstances, according to the <u>Cariou</u> case, fair use may be established at the motion to dismiss stage simply by placing the copyrighted work and the purportedly infringing work side-by-side and comparing their characteristics, and that

is exactly what we are asking the Court to do here. Everything that is necessary is already in front of the Court because it was referenced in the complaint. You have the complaint itself. You have his Facebook page and the video that he published, and you have the defendants' uses, the videos and the screen grab.

Courts have dismissed, without discovery, cases on fair use grounds when they have that material in front of them. That happened in the Adjmi v. DLT Entertainment case and in the Arrow Productions v. Weinstein case, both in the Southern District. Those were motions for judgment on the pleadings under Rule 12(c), but of course the standard was the same and there was no discovery.

And as I just mentioned, in the Bloomberg case that happened as well. The case was dismissed without discovery. Now, it was treated as a summary judgment motion in that days, but effectively the same kind of information was in front of the Court as you have here. And that's all that the Court, I offer, would need to dismiss the case on fair use grounds.

While plaintiff argues that it's premature to dismiss on fair use, he doesn't identify any discovery that he could get or would like to get that would in fact bear on the fair use analysis.

THE COURT: Well, he wants to show you are profit-making organizations, a matter of which I could take

judicial notice.

MR. BIERBAUER: I believe you can take judicial notice that we are news organizations that make a profit and that cases have been very consistent in holding that the factor of commercial use is essentially irrelevant when you are talking about news because in America most news organizations are profit making and, therefore, that factor has very little weight.

THE COURT: At least they hope to be.

MR. BIERBAUER: They do their best, your Honor.

Unless there are questions about whether our motion to dismiss is appropriate, I will go on and talk about the four fair use factors.

THE COURT: Look, you got, between you and the other defendants, about another five or ten minutes, so use the time any way you want to use it.

MR. BIERBAUER: Well, I'll very quickly then go through the four fair use factors. Here it's clear that the use is transformative. He concedes in his opposition that the purpose of his video was to show this event, this particular birth, to friends and family. Obviously, the purpose of covering it as news was very different. The purpose of covering it as news was to highlight the trend of people putting live streams on Facebook publicly and to question, in the form of commentary, whether this particular live stream was

perhaps taking that trend a bit too far. This is clear from defendants' reports on their face, and it's also clear that this was quite a public phenomenon when they reported on it, because they noted that there were thousands of people who watched the video as it was being live streamed by the plaintiff.

The second factor is the nature of the copyrighted work. Here the work is informational. There is very little artistic or creative content to it. It is a smartphone video of a delivery room and the events that are taking place there. It was, as Mr. Sholder pointed out, previously published. It had been published to Facebook's 1-billion-plus members 24 hours before any of us picked it up.

Regarding the amount and substantiality of use, this is, you know, very clear in this case. You are talking about 22 seconds or 30 seconds or a screen grab of a 45-minute video. Similarly short excerpts are regularly found to be fair use. And it's no more than was needed to report and comment on this particular phenomenon, this unprecedented use of Facebook's live feature, to publicly exhibit a birth. It was just enough to show everyone who was watching on TV some flavor of what those who had actually watched the video might have seen.

And, fourth, there is no market here and there can be no effect on the market. There is no market alleged in the complaint. The plaintiff concedes in his opposition that he

didn't intend the video to be seen by anyone besides friends and family. He doesn't say that he was going to sell it. And of course, there is no usurpation of any market here because there are not substitutes. Anyone who wanted to watch the whole 45 minutes and see the baby being born would have to go and watch the video that plaintiff put up on Facebook, and anyone who wanted to see a news report that put it in context and commented on the trend that was reflected by this particular unprecedented use of live streaming would watch the news reports, so they are not substitutes for each other.

And with that, I would reserve time for reply or for any of my codefendants to make statements.

THE COURT: All right. Thank you very much.

Mr. Siegel, do you want to --

MR. SIEGEL: I don't have anything to add, your Honor.

THE COURT: Mr. Sholder.

MR. SHOLDER: Yes, your Honor.

There are a few issues here that are unique to COED Media, one of which is somewhat related to the fair use argument, and that's the de minimis use point that we had made in our opposition. That point being that de minimis fragments that are used don't constitute infringement because there is no substantial similarity if it's such a small portion of the work that there -- while there may be factual copying, there can't be said to be actionable copying.

It's fairly clear that this is probably the smallest fraction of this work that one could possibly use to comment on it. One screen grab of one frame of a 45-minute video, as we've mentioned in our brief, is about .01 percent of the entire work. And you're comparing -- the relative basis of comparison is the work itself, the copyrighted work. So no more than was necessary to comment on this work in the context of fair use was used. And as a matter of law this simply isn't enough to rise to the level of substantial similarity required for actual copying.

As Mr. Bierbauer noted, even the plaintiff says a side-by-side comparison of the copyrighted work and the allegedly infringing work can be made at the pleading stage, and doing just that, it's clear that the screenshot used by COED Media in its article should be deemed de minimis as a matter of law. And there are cases that dismiss claims of infringement on de minimis grounds at the motion to dismiss phase, particularly your Honor's decision in <u>Tufamerica v. WB Music Corp.</u> and <u>Poindexter v. EMI</u>, also in the Southern District. Those are right on point.

The other claim that's unique to COED Media, I'll move on to the DMCA claim if your Honor doesn't have any questions with respect to de minimis use.

THE COURT: Let's talk about you had two alleged uses, both involving, as I remember, the same screenshot. One was on

a -- I'm not sure what it was exactly, a Facebook page, something, and it had a certain amount of editorial comment with respect to the allegedly infringed work. The other was on a Pinterest page.

MR. SHOLDER: Yes.

THE COURT: Now, for those a little younger than I am, that may mean something. To me, it is meaningless. And there is nothing that I could find in the record, save for a shot of the Pinterest page, which on the face of it seems to have nothing more than the screenshot on it, substantially anyway, I have no idea how the analysis -- well, that's too strong a statement, but the analysis may well be different with respect to that particular page, at least as regards fair use and maybe beyond. Do you want to address that?

MR. SHOLDER: Of course, your Honor.

I think the analysis is not really different at all.

I will agree that --

THE COURT: To be more specific, there is no commentary evident on --

MR. SHOLDER: Correct. The commentary appears in the article, which was on one of COED Media's Web properties. The Pinterest page included a screenshot of the video with the headline of the article below it linking back to the article. So the purpose of the --

THE COURT: So what was the headline on the Pinterest

page, please?

MR. SHOLDER: It was the same headline as the COED Media article. I can tell you in a moment. "Man uses Facebook to live stream his wife giving birth and, yeah, it's pretty weird."

THE COURT: Well, it doesn't say "and, yeah, it's pretty weird."

MR. SHOLDER: Let me confirm. Let me just check the complaint and make sure I am not misstating anything.

(Pause)

Yes, it does.

THE COURT: OK.

MR. SHOLDER: And the visitor to the Pinterest page can then following that link back to the collegecandy.com article that contains the rest of the commentary. It's the same screenshot used for the same purpose, to comment on what my client thought was the strange nature of this phenomenon.

Granted, the commentary doesn't appear on the

Pinterest page itself, but we think the analysis is the same,

particularly the de minimis use analysis because it is the same

screenshot of the single frame from the video. But for

purposes of fair use, it is transformative in the same way that

the article is transformative in that it is being used for a

different purpose. The amount and substantiality is the same.

It's very small and it's certainly not the heart of the work.

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This isn't a shot of the baby actually being born. And as I mentioned, that links back to the article, which provides the full commentary.

THE COURT: OK. Anything else?

MR. SHOLDER: With respect to the Section 1202 claim, the DMCA claim, as a threshold matter, I think the most straightforward way to dispose of this claim is that if the use of the screenshot is deemed to be fair use, then there can be no intent to conceal or encourage or otherwise cause further infringement downstream. The intent element of the Section 1202 claim is very important here, and I think it can be resolved on a motion to dismiss because the allegations in the complaint clearly show that COED Media credited the author, or whatever pseudonym he was using on his Facebook page, in the article and then, as I mentioned before, linked directly back to the original source material so that anybody who wanted to see the video could see the video and could see who it was attributed to. So the intent element I think is key here. But I don't even know that your Honor needs to get to that because if the use is deemed fair, then the intent element of Section 1202 is defeated, anyway.

THE COURT: OK. Thank you.

MR. SHOLDER: Thank you.

THE COURT: Ms. Tsyvkin.

MS. TSYVKIN: Your Honor, it remains the plaintiff's

contention that this motion for fair use is premature. There is a plethora of cases in the Second Circuit, most of which is listed by the plaintiff on page 3 of the opposition, that clearly states this is a fact-specific inquiry that deserves and requires some discovery, some record to be developed.

THE COURT: And precisely what?

MS. TSYVKIN: Well, that is an excellent question.

MS. TSYVKIN: Well, that is an excellent question. For example, if we are going to talk about transformative use, which is -- you know, we all concede that that's the most important part of the inquiry, we need to talk to the editors who decided that this was a newsworthy story.

THE COURT: Why?

MS. TSYVKIN: To figure out whether this is the kind of use that rises to the level of transformative use. We need to talk to --

THE COURT: Why don't we talk to Professor Nimmer?

MS. TSYVKIN: Well, this is a fact inquiry, correct? So we can -- there is --

THE COURT: Transformative use is a conclusion of law, isn't it?

MS. TSYVKIN: But it is entrenched in the facts.

THE COURT: And we know the facts.

MS. TSYVKIN: But do we? And our contention is that we don't know enough of the facts to justify --

THE COURT: I want to know from you exactly what facts

we don't know that are material to anything here.

MS. TSYVKIN: I would like to see -- in the course of discovery, I would like to see what the editors told the hosts to say, any notes that the hosts might have had that will give us a fuller and more complete picture of whether this was in fact newsworthy. And your Honor's original question goes directly to that point.

THE COURT: Excuse me.

MS. TSYVKIN: Yes.

THE COURT: There are lots of things in life I would like to see. I might be curious to know what was going through your client's mind when he decided to do this. Humph? But I'm extraordinarily skeptical as to whether it matters to anything as a legal matter. He did what he did. We all know what he did. He admits what he did. Consequences may follow from that either for him or the other side.

So to respond to a question from a judge in this procedural posture as to what facts do you want to discover and why are they material, an answer that starts "I would like to know" doesn't really help very much, because it doesn't address the question of why what you would like to know matters to anything.

MS. TSYVKIN: OK. Perhaps I can clarify, your Honor.

Here's what I would -- OK. I'll stop at that formulation. We need to know whether the decision that these

broadcasters came to as far as whether this is newsworthy were actually in place or was this purely for entertainment value.

This is something that happened and I believe --

THE COURT: How does that matter?

MS. TSYVKIN: It determines whether this was transformative. It determines whether this was newsworthy. It determines whether they had any --

THE COURT: Let's suppose for the sake of argument -- MS. TSYVKIN: Yes.

THE COURT: You may be too young for the reference, almost certainly you are, but there is a magnificent scene, played by Marlene Dietrich and the name of the actor, long since deceased, will come back to me, at the conclusion of a great movie called "Witness for the Prosecution" where suddenly all is revealed. Now, suppose somebody did a substantial knock-off of that scene and posted it on the Internet for its entertainment value maybe, for the sake of argument, to poke fun at whether the scene as originally played was actually a believable hypothesis. Suppose somebody did that and they did it purely for entertainment value. Now -- and let's assume further that in terms of the quantitative nature of the alleged appropriation, it is no different than what we have here. Let's assume away all of those other factors. It would be fair use, wouldn't it?

MS. TSYVKIN: It would be because there is specific

case law saying that parody is protected.

THE COURT: I didn't say anything about parody.

MS. TSYVKIN: I believe you said they were making fun of the fact that it is implausible that this was happening.

THE COURT: If I used the phrase "making fun," it's not necessary to my point. Maybe it was done with an intent of criticism, scholarly criticism by a professor at the NYU Film School for use in a seminar and on public media.

MS. TSYVKIN: Well, then there would be other factors that would come into play, correct? We would have to know --

THE COURT: I'm going to take the "seminar" out of the hypothetical.

MS. TSYVKIN: OK.

THE COURT: Now it is a film student. Then take the film student out. Now it is some informed citizen who just thinks the scene as a matter of film doesn't really work and here's why and illustrates it with this hypothetical creation.

MS. TSYVKIN: Well, it doesn't require a professor or a large audience to decide that something is a parody, yes, but that could be protected because that is exactly --

THE COURT: I'm not talking about a parody. I'm talking about serious criticism.

MS. TSYVKIN: Serious criticisms, if it enriches a society, as the case law requires, if it adds something, it becomes transformative as a result of adding a new aesthetic, a

new idea, new looks, exactly what <u>Cariou v. Prince</u> enumerates, yes, absolutely, but this does not --

THE COURT: It is perfectly obvious that at least what the networks did, and probably COED, is serious criticism. I mean, the whole point of these broadcasts was: Look what this quy did. This is weird.

MS. TSYVKIN: Is that --

THE COURT: And that's news.

MS. TSYVKIN: I would argue that that does not rise to the level of serious criticisms. If you go over what the --for the defendants line-by-line what the hosts said, they were very scant comments. It does not rise to the kind of example that you cited where someone is offering serious criticism that enriches our society, I would say yes, but this is not. This is merely, you know, here's what this guy did. You know, let's play it and see how many people we can get to turn -- tune in and also how many people can come to our website and look at it and click on our -- that's my intention.

THE COURT: OK. Well, I hear you.

MS. TSYVKIN: Yes. And, also, when you started with the question originally to the defendants about does the intention matter whether, you know, you would have broadcasted the same video if it was just, you know, a few people saw it, if you got ahold of it, I think, you know, that question goes exactly to our contention. It was just entertaining. They got

ahold of something that was entertaining, and they knew it would drive traffic to their website and viewers to their show, which is why they repeated it. In the case of NBC and ABC, you know, they aired it twice in a kind of a sensational thing that occurred.

THE COURT: That's pretty much what news reporting is nowadays, isn't it?

MS. TSYVKIN: To enrich our society. And we argue about the larger question, whether the sensationalizing of a technological error in the person's privacy, it is an unfortunate thing that happened. No one -- you know, obviously it is my client's fault for, you know, broadcasting accidentally, absolutely. We are not questioning that.

THE COURT: While you focus on that, let me -- is this whole notion that this was a mistake by your client supported either by any allegations in your pleadings or any evidence, or is it just an unsworn statement in your answering brief?

MS. TSYVKIN: In my answering brief, it is an unsworn statement. However, this is exactly --

THE COURT: So it's not properly before me on the motion, is it?

MS. TSYVKIN: Because none of these things are properly before you on the motion. They shouldn't be here. It's not ripe for consideration. This is the kind of thing that would come out if discovery occurred.

THE COURT: Am I to take that as a serious answer, am

I? The complaint is not properly before me, the motion is not properly before me --

MS. TSYVKIN: I meant the motion is not ripe for consideration.

THE COURT: Yes. But my question to you was that your client's excuse for how this happened is not supported either by allegations in his pleadings or in his memorandum and for that reason is not properly before me at all on this motion; isn't that true as a matter of law? That's my question.

MS. TSYVKIN: Well, it is as a matter of law, yes.

THE COURT: OK.

MS. TSYVKIN: It's not properly before you that it occurred accidentally.

THE COURT: All right. Let's go on.

MS. TSYVKIN: So our argument is that this is just too early, and courts throughout this circuit and specifically in the Southern District have agreed with us that this is a very fact -- as we are learning in this argument, a very fact specific inquiry that deserves a more developed record. And discovery is the proper vehicle for that, not submissions, declarations, and various extraneous things that the defendants have turned in that accompanied their motions to dismiss at this early stage.

THE COURT: OK. Anything further?

MS. TSYVKIN: If your Honor decides to go on to the actual fair use factors, I definitely believe that this use is not transform -- if you do, you know --

THE COURT: You mean, if I am to decide the motion at all?

MS. TSYVKIN: If you are deciding the motion on the merits of whether the factors are present, I would -- you know, I believe we could be heard on that. We don't believe the use is transformative because they just merely published parts of a video that were essentially telling the story. So it's a complete substitute for the video. They claim that it wasn't large segments of a 45-minute video --

THE COURT: How am I to take seriously an assertion by a lawyer that, for example, COED Media's publication was a complete substitute for the video when it consisted of .012 percent of the video? Am I to take that as a serious statement, or am I to take that as rhetorical hyperbole?

MS. TSYVKIN: Obviously we believe that the defendants should be treated separately and there are different facts that apply to each defendant. And in the case of COED, obviously it's not as strong of a case, and I would argue that the fact that there is substantiality is not there. My papers reflect that. That in the case of COED, there is a screenshot that they used both on their Pinterest and --

THE COURT: So isn't the concession on quantitative

substantiality fatal to your case against COED?

MS. TSYVKIN: It's absolutely not because there are other factors. The main factor is transformative use and --

THE COURT: Well, but you're overlooking their de minimis argument, which is really at the heart of their motion. They say that the amount of the appropriation, if it can be called that, is .012 percent of the allegedly infringed work and it does not rise to the requisite level of quantitative substantiality to permit a finding of substantial similarity. Now, if you agree that it doesn't rise to that level, that's the end of your case against them at least on the question of copyright infringement.

MS. TSYVKIN: Well, on the case of de minimis use I view as separately from the consideration of the substantiality argument.

THE COURT: That's --

MS. TSYVKIN: And there's also -- all right. Go ahead.

THE COURT: But you made a statement. The statement seemed to me to be quite likely a dispositive concession on the question of substantial similarity, and I'm trying to find out whether that's really what it is.

MS. TSYVKIN: What it is is we cite the case in the opposition out of this particular district, Judge Wood's decision in Devocean Jewelry, that treats a screen grab from a

video as eligible for its own statutory award. So depending on how many screen grabs you have, you get one statutory award per screen grab and that's --

THE COURT: Even in the absence of substantial similarity?

MS. TSYVKIN: Fair use was not an issue there. It was just a question of whether de minimis use is --

THE COURT: <u>Tufamerica</u> was decided on the basis of substantial similarity, a holding that given the accused and the allegedly infringed work -- I'm sorry, I misspeak there, the copyrighted work and the accused work, it was impossible for any reasonable trier of fact to find either quantitative or qualitative substantiality without regard, as I remember the case, to the question of infringement -- excuse me, to the question of fair use; right?

MS. TSYVKIN: I mean, that's correct, yes, sir.

THE COURT: OK. So are you telling me that you agree that at least in the case of COED Media, that their use of .012 percent of the video is a concession that there was no quantitative substantiality and, therefore, you lose without regard to fair use as to that defendant on the basis of substantial similarity?

MS. TSYVKIN: I will not concede the fact that it's on the de minimis --

THE COURT: So why not? Explain.

MS. TSYVKIN: Because we believe that if it is 1 possible for a screen grab to get a statutory award --2 THE COURT: It's possible that the Lord God will come 3 4 down into this courtroom in a burning bush, but we are not 5 deciding the case on that ground. MS. TSYVKIN: Yes, we are deciding the case based 6 7 on -- in the light most favorable to the plaintiff at that point. 8 9 THE COURT: Yes. But in the light most favorable to 10 the plaintiff involves reasonable inferences and likelihoods, not theological beliefs or hopes. 11 12 Let's move on. 13 MS. TSYVKIN: All right. So just going over the 14 factors again, we believe that the use was not transformative, and if it was transformative, it was minimally so, just because 15 the comments that the hosts made during the shows were just 16 17 kind of, "ouch." I mean, does that really imbue our society 18 with a lot of values --19 THE COURT: It is social commentary. That's what it 20 I mean, perfectly obvious that it's social commentary. 21 MS. TSYVKIN: I quess I just don't see how that rises to the level that the Second Circuit asks us to. 22

THE COURT: Well --

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MS. TSYVKIN: And what they require.

THE COURT: I imagine they may ultimately decide that,

but.

MS. TSYVKIN: And, also, there are cases, specifically North Jersey Media Group v. Pirro, where the Court clearly says that simply taking fair use refuge under the umbrella of news reporting is not acceptable. It was rejected in that case. You can't just say it's newsworthy. That would mean, you know, basically it doesn't apply, they can do anything they want. They could just take anyone's photograph, anybody's work, anybody's video and if they deem it, you know, tangentially newsworthy, they will play it and not properly utilize licensing regimes, not compensate rights holders for their work. So just saying something is, you know, this is news, especially --

THE COURT: Now, if I accept your client's statements -- I assume they are your client's but I don't know that because you didn't put in an affidavit. If I accept your statements about what his intention and purpose was here with respect to dissemination, namely, that this was to be live streamed to somewhat less than a billion people, to a close group of friends and relatives, and it was never intended to go public, doesn't that dramatically undercut you on fair use, because there was no intent to commercialize, there was no taking any market away from him, no matter what had been used by the defendants, because that wasn't what he was about anyway?

MS. TSYVKIN: The market doesn't have to be intended when the work was created. So after the fact -- I mean, we all know that --

THE COURT: We all know he is trying to commercialize these events. I mean, that's clear.

MS. TSYVKIN: But the market doesn't have to be conceived of before it happens. I mean, there is clear case law --

THE COURT: Yes, I understand all of that. But what was conceived beforehand, you are telling me, was that this was private. That was the intent, your client's intent.

MS. TSYVKIN: Correct, sir. And once this happened, once this thing went viral -- and that's essentially what happened, a lot of people -- a lot of broadcasters will concede that, there is no reason that we can't, a lot of broadcasters went ahead with this. Several of them were, you know, also defendants in this group of cases, related cases, and I might say have already settled. Similarly situated defendants have settled the matter. Obviously some reasonable institutions believe that something wrong had occurred here.

THE COURT: Well, that's absurd, with all due respect. Everybody knows that, with rare exceptions, most commercial enterprises in appropriate circumstances settle matters to avoid nuisance, even matters that they believe are totally lawful. You know that. I know that. Every judge who has ever

sat in a courtroom knows that.

What happened here I neither know nor care, but simply because other people settled proves absolutely nothing.

MS. TSYVKIN: No, but it shows that something had occurred and he realized that this thing was out of his control. It wasn't the case that only a few friends and family saw the video. Everyone saw the video. It was all over the news. And if the market was created at that point, what case law is there to say that that's too late, that the market has to be conceived before he presses the button record. That's my point. My point is that he -- the defendants created the market --

THE COURT: And now he wants to profit from it. I understand that that's your argument. My question to you is very different, but you haven't answered it.

(Pause)

MS. TSYVKIN: We believe that if the defendants' use usurps the market for the original, that satisfies the fourth factor.

THE COURT: OK. Let's take that one. How does the .012 percent screenshot that COED posted usurp the market for a 45-minute video of a live birth? Anybody who wants to pay to see that video, or any part of it, was willing to do that, your client is perfectly able, notwithstanding COED video's action, to commercialize that; isn't that true?

defendant?

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MS. TSYVKIN: We don't believe so. We believe that 1 the clips that were selected by the defendants --2 THE COURT: I'm talking about COED. We will get to 3 4 the others. MS. TSYVKIN: Again, as our opposition papers reply, 5 that factor is not as strong when it comes to COED. But these 6 7 are all things that should be taken on balance. None of these factors are dispositive. 8 9 So when it comes to COED, when they have one screen 10 grab, as we say, in two places, then of course the argument is different than a news broadcaster that has --11 THE COURT: So how much did NBC use? 12 13 MS. TSYVKIN: NBC aired the segment twice, at 8 a.m. 14 and the 9 a.m. time --15 THE COURT: I'm sorry. You always do better when a judge asks you a question if you don't say to myself, boy, I 16 17 don't really want to talk about the answer to that question, 18 let me say something else. 19 How many seconds did NBC air? Not how many times, not 20 what time of the day, not which show, how many seconds out of 45 minutes? 21 MS. TSYVKIN: I believe it was around 30 seconds. 22 23 THE COURT: OK. And how many in the case of the other

MS. TSYVKIN: The CBS, I believe --

THE COURT: CBS is not here. 1 MS. TSYVKIN: CBS is not here. 2 ABC. THE COURT: Yes. 3 MS. TSYVKIN: In the case of ABC, I believe it was --4 5 let me just go through my papers. (Pause) 6 7 Probably around the same, maybe a little more. THE COURT: OK. So let's be charitable and say a 8 9 And you agree it was not as long as a minute in the 10 case of any of them, right? MS. TSYVKIN: Let's say they played the minute of the 11 12 video, yes, correct, sir. 13 THE COURT: Yes. But you agree that it was in fact 14 less than that in each case, right? 15 MS. TSYVKIN: OK. THE COURT: All right. So if we take this exaggerated 16 17 assumption of a minute, you've got something in the 18 neighborhood of 1/45th of your client's video, tops 2 percent, 19 right? 20 MS. TSYVKIN: OK. THE COURT: And your position is that even the very 21 limited airtime given to the one network who used that on two 22 different broadcasts on one day, that was sufficient to permit 23 24 the case to go forward with respect, for example, to the factor

about whether they have usurped the market for

commercialization by your client of what he claims was this unintentional bonanza, right?

MS. TSYVKIN: Yes.

THE COURT: OK.

MS. TSYVKIN: Because -- may I elaborate?

THE COURT: Sure.

MS. TSYVKIN: If we were less charitable, for example, to just 30 seconds, which is what it is, and the seconds that were broadcast were telling the story of the video, meaning all the more interesting, engaging, let's say, visceral parts of the video were broadcast in those 30 seconds, then you would say there is no need for the original video. Why would anybody go see the original video if they could just watch this and their appetite for that kind of violation will be satisfied? That's really the issue. It is not the number of seconds that it is on, it is the fact that it tells the narrative of the video and it takes the heart of the video.

THE COURT: Let's flip to a different sphere of human endeavor. I have forgotten how many games the World Series went last year. Does anybody remember? Was it six? Did the Cubs get that far? How did it come out?

MR. SIEGEL: Seven.

THE COURT: Seven games, OK. So suppose what they had done is that they somehow lawfully procured a video of the seventh pitch to the seventh batter of the seventh game

identical to the copyrighted Major League Baseball broadcast of the entire game. And let's assume that Major League Baseball does all that -- I'm sure they do -- and they want to commercialize their video of the seventh game of the World Series. And what one of the networks did was that they broadcast a 30-second video of the seventh pitch of the seventh game to the seventh batter on their program saying, gee, so and so won the seventh game of the World Series. Here's a screenshot -- not a screenshot but a short video. Does the plaintiff have a case?

MS. TSYVKIN: I believe the MLB will believe there is a case, yes.

THE COURT: Yes, I know they will.

MS. TSYVKIN: I receive much less --

THE COURT: Half the people who come into this court and lose all came in thinking they had a case. All of the people who come in and lose thought they had a case. That's not the question. The question is do they have a case.

MS. TSYVKIN: Part of the -- and I believe that this is the case -- that the part of the Cubs game 7 of the World Series is that last pitch and that's what's shown.

THE COURT: I deliberately made the example otherwise.

I didn't ask you about the last seconds of the Cubs and Alabama
game or Aaron Boone's home run in the 13th inning against

Boston.

 $$\operatorname{MS}$.$ TSYVKIN: Or the last quarter of the Super Bowl, right.

THE COURT: OK. So you are a better sports fan than I am. But let's stick with the hypothetical because that's what we are dealing with here, something very close to it, anyway.

MS. TSYVKIN: If it replaces the need to see the original, if it usurps the market, the answer is yes. Not --

THE COURT: So I can look at the 30 seconds or the screenshot and I can look at the 40-minute video, 45-minute video -- and, you know, they call us judges because we're supposed to do something and it's related to the word; it's "exercise judgment" -- and I can make a judgment as to whether it's conceivable that any rational person could conclude that it usurps any market that hypothetically might exist for the video. And that's what the motion asks me to do. And I'm giving you every opportunity, at least I hope so, to convince me why that judgment isn't what the defendants urge on me, and I'm not hearing it.

MS. TSYVKIN: I'm asking you that while you can make the judgment as to that, that determination will only give you the fourth factor.

THE COURT: All right. And I can certainly make the judgment about whether it was newsworthy, whether it was transformative. What other judgment can't I make?

MS. TSYVKIN: I believe that you would need more facts

to make a meaningful judgment about the market. You would need to know whether he tried to sell this thing afterwards, someone to license it to afterwards.

THE COURT: No. He has filed complaints. He alleged the facts which he thought were material to the case. There is nothing about that in it.

MS. TSYVKIN: But if we're considering the fourth factor seriously as far as does this usurp the market or not, aren't we kind of shortchanging ourselves if we are just going by our intuition that there is no market for this, no one would pay for this?

THE COURT: It's not intuition. <u>Igbal</u> and <u>Twombly</u>
make it perfectly clear that even where there is an allegation
of a fact, the story's got to be plausible, in my judgment.
And here we have no allegations of fact. We have the allegedly
copyrighted and the allegedly infringed work, and I look at
those two works and I say you haven't alleged, except in the
most conclusory terms, if that, that there was any market
impact, and even if you had, it's not plausible. It is just
not plausible.

Now, you have an opportunity here. We are on an amended complaint as to at least one defendant.

MS. TSYVKIN: We are.

THE COURT: OK. Do you want to wrap it up because I have another matter coming on?

MS. TSYVKIN: I mean, I was going to discuss the merits of the COED DMCA claim, the fact that we believe we've met the burden by attaching an example of the infringement. Of course, if everything hinges on the fair use and your Honor is not going to rule on one without ruling on the other, obviously --

THE COURT: What facts permit a plausible inference that there was requisite intent? What facts have you pleaded? I understand that you track the language of the statute, which, you know, is essentially -- it's -- "boilerplate" has a negative connotation so I won't use that word, but you've got to have facts. I mean, if you go back to the I guess it was Bell Atlantic, which was an antitrust conspiracy case, the complaint alleged that the defendants conspired, in violation of Section 1 of the Sherman Act. The Supreme Court said, not plausible given the lack of facts here. I mean, it said it.

MS. TSYVKIN: And my argument is this is premature because it occurred --

THE COURT: They said that there, too. The defense said, we have the right to conduct discovery to see whether in fact two or more defendants came to a meeting of the minds to do that which the complaint alleged. That was the whole case in <u>Bell Atlantic</u>.

Now, you come along and you say their intent was bad with respect to what you imagine to be intentional deletion of

copyright management information, but there are no facts alleged.

MS. TSYVKIN: But don't we know from BanxCorp. and Morrell that basically those questions pertaining to the intent are better suited for later on in the litigation process? Isn't this exactly what they say, that as far as at the pleading stage, if I have the existence of a CMI, the allegation that this was removed, and that the removal was intentional, isn't that enough to satisfy the pleading standard?

THE COURT: Well, that's the question I just asked you.

MS. TSYVKIN: We believe that it is at this -- I mean, I hate to be always saying this is premature, but the fact of the matter is these motions are premature. It may turn out to be that the defendants have a very strong case for fair use but we just don't have enough facts on the record. We don't have enough facts on the record as to the CMI claim as far as what their specific intent was. And courts again and again in the Second Circuit, in this particular district, have said these are better suited for later on, at the summary judgment stage, after there has been some kind of discovery. As far as at this stage, attaching an example of an infringement suffices.

THE COURT: A fairly remarkable proposition.

OK. Anything else?

MS. TSYVKIN: No, your Honor.

THE COURT: OK. Thank you.

Anything from the defendants?

MR. BIERBAUER: No, your Honor.

THE COURT: OK. The motions all are granted. And just a couple of comments, really.

Number one, I appreciate the effort all counsel had put into a case that arises in a novel and, from a human interest point of view, interesting context. The briefs have been very helpful.

I conclude, substantially for the reasons set forth in the ABC Yahoo! brief, that this is fair use. I don't mean to comment adversely on the other briefs of the defendants on that point. I just found, Mr. Siegel, your brief to be right on the money on that point, and I base the fair use conclusion substantially on what's in that brief.

This was in each case a use squarely within the preambulatory portion of Section 107 of the Copyright Act, namely, criticism, comment, news reporting, which goes a significant part of the distance toward a conclusion of fair use. I believe the use was transformative. The amount and substantiality of the portions used in relation to the copyrighted work as a whole are very small in each case and, in the case of COED Media, trivial and de minimis for sure. And there are no plausible allegations that would permit a

conclusion that the effect of the use on the part of any of the defendants had any effect on any potential market for or any value of the copyrighted work.

By these brief comments, I don't mean to narrow the scope of my ruling on this. It is substantially based, as I say, on the arguments advanced in the ABC Yahoo! brief, but I want to be sure to touch all the bases.

A couple of other comments.

I am not converting this motion into one for summary judgment under Rule 12; rather, I'm applying the standard applicable to 12(b)(6) motions. I accept as true all factual statements in the complaint. I have drawn all reasonable inferences in favor of the plaintiff. I do not accept necessarily legal conclusions in the complaint. The complaint must contain sufficient factual matter to state a claim that's plausible on its face and in respects to which I have alluded it has not done that.

I consider also the written or recorded statements, that is to say, the videos and possibly one or two other things, the screen grabs, but it's clear in context that are attached to the complaint and statements or documents incorporated into the complaint by reference and documents possessed by or known to the plaintiff and upon which the plaintiff relied in bringing suit. Those are the relevant standards in this circuit.

The 1202 claim against COED is dismissed for the reasons advanced by COED and also made clear in my colloquy with Mr. Sholder and with Ms. Tsyvkin in the course of the remarks.

I would say, also, this. The plaintiff, of course, if he really meant me to consider this assertion that this all happened by virtue of a terrible mistake or blunder on his part in that his intention was to live stream this on Facebook only to a select group of friends and relatives, what should have been done is that the complaint should have been amended to make those assertions and, in failing that, an affidavit or declaration should have been submitted in opposition to the motion, neither of which was done. So as Ms. Tsyvkin properly acknowledged, this narrative, that appears only in an unsworn answering brief, is not properly before me and as a technical matter it's not for my consideration here.

But I go further. Even if I accepted as true every word of it, what we have here is a sad accident, not a copyright infringement and not a violation of the DMCA. I'm very mindful, as possibly something I said earlier might have revealed, that there is something of a generational gap between people my age and everybody else in the courtroom right now with respect to technology. Nonetheless, I have sufficient knowledge and experience to know people make mistakes. It could have happened. It could have happened that

Mr. Kanongataa made exactly the mistake he claims he made. I don't really have any particular reason to doubt it. I don't mean to say anything negative about his credibility. And assuming that's what happened, it's too bad. He has my sympathy in that regard on those assumptions. But the fact is the things that happen in this life to people, without any real culpability on their part, sometimes don't turn out the way they hoped, and sometimes they turn out to be newsworthy.

Now, I don't mean to draw an analogy that's in any way material to the resolution of the case, but when Mr. Zapruder was standing along Dealey Plaza in Texas on November 22, 1963, taking a movie of President Kennedy's motorcade, I'm sure the farthest thing from his mind was that he would wind up filming the President of the United States taking a bullet to the brain and that his movie would be maybe the most newsworthy event of the last 50 years -- 60 years, whatever it is now, it is a long time. I don't know what he thought about the publicity. I don't know what he thought about his movie being played millions of times all over the world. But stuff happens. And sometimes it's newsworthy and sometimes it's a proper subject of social commentary or criticism, or whatever you want to call it, but it's something that the world has a right to know.

I'm not deciding this is a constitutional case, but there are values in the First Amendment that resonate with this resolution, and they've got to be respected maybe now more than

ever.

And so the case is dismissed. Certainly, the plaintiff has a right to take it to the Court of Appeals, if he wants to do that. Maybe they'll see it differently. But the phrase that came to my mind is the old Latin phrase I learned a long time ago, "de minimis non curat lex." Look it up.

OK. Thank you, all. It was very helpful.

THE LAW CLERK: All rise.

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